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## State of New Jersey Department of the Treasury

### ***Division of Taxation Prevents \$7.4 million in Fraudulent Tax Refunds Year to Date***

TRENTON – The State Division of Taxation has prevented \$7.4 million of fraudulent refunds from being paid this year, including some based on returns filed on behalf of deceased taxpayers, as part of an ongoing program to fight identity theft.

In April alone, Taxation auditors halted payment of \$4.6 million based on 1,800 fraudulent returns. In one instance, the Division this year identified \$113,000 worth of bogus refunds based on filings from 13 Connecticut residents who claimed to be working in New Jersey.

The auditors discovered those filers were actually deceased. The returns most likely were filed by a syndicate of fraudsters who steal Social Security numbers in bulk. “We previously have not seen filings on behalf of deceased taxpayers in such an organized manner before,” said Michael Bryan, Director of the Division of Taxation. “Through sophisticated computer screening and careful analysis, our auditors were able to spot the fictitious filings before the refunds were issued.”

Sometimes, tax preparers work in concert with fraud syndicates. Other times, the syndicates steal the identity of legitimate preparers and use their names to file returns for phantom clients.

“New Jersey taxpayers can rest assured that the Division of Taxation is making every effort to safeguard them from identity theft,” said State Treasurer Andrew Sidamon-Eristoff.

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